



# Boston University

CHARLES RIVER CAMPUS • 755 COMMONWEALTH AVENUE • BOSTON 15, MASSACHUSETTS

OFFICE OF THE PRESIDENT

June 1, 1960

Representative John E. Fogarty  
United States House of Representatives  
Washington 25, D. C.

Dear Mr. Fogarty:

Once more the House has passed an appropriations bill which includes the restriction of a 15 per cent limit on payments for overhead cost of research conducted under the auspices of the Department of Labor, Health, Education, and Welfare. The counterpart Senate Bill (S. 3197) would have the effect of authorizing full payment of indirect cost to the institution. Apparently, the appropriations bill once more will go for final decision before a conference committee in the House, which will be under the chairmanship of the Honorable John E. Fogarty of Rhode Island.

Mr. George F. Baughman, testifying on behalf of the American Council on Education, at a recent hearing conducted by Senator Hill regarding the Senate version of this Bill, stated: "A university is an organization of resources consisting of people, physical facilities, and finances, having as its goal the performance of three functions: instruction, research, and public service. Although we can speak in terms of the three functions separately, it is well recognized by everyone that all three are vitally inter-related and inter-dependent."

In performing these functions, universities, like all other organizations, inevitably incur indirect costs, which are basically "cost of doing business." It is unreasonable to set an arbitrary 15 per cent limit on these indirect costs and expect the institution to absorb the balance. In Circular A 21 there are present policy guides for contractual arrangements between the institutions and the Federal Government which provide for reimbursement to the university of both direct and indirect expenses, yet safeguard against profits arising to the institutions from these activities.

*12/1/60  
for Hill  
Council*

Representative John E. Fogarty

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June 1, 1960

May I respectfully urge you to support the principle contained in Senate Bill S. 3197, dated March 14, 1960, which provides "...that each grant-in-aid made under the provisions of this subsection shall to the fullest extent possible include the payment of all indirect expenses attributable to the research projects supported by such grant-in-aid."

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Harold C. Case", with a stylized, flowing script.

HAROLD C. CASE

HCC:mlf